



## BUREAU OF CONSUMER FINANCIAL PROTECTION

[Docket No. CFPB-2022-0040]

### Request for Information Regarding Relationship Banking and Customer Service

**AGENCY:** Bureau of Consumer Financial Protection.

**ACTION:** Request for information.

**SUMMARY:** The Consumer Financial Protection Bureau (Bureau or CFPB) is seeking comments from the public related to relationship banking and how consumers can assert the right to obtain timely responses to requests for information about their accounts from banks and credit unions with more than \$10 billion in assets, as well as from their affiliates.

**DATES:** Comments must be received by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**ADDRESSES:** You may submit comments, identified by Docket No. CFPB-2022-0040, by any of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.
- *Email:* RelationshipBankingAndCustomerService@cfpb.gov. Include Docket No. CFPB-2022-0040 in the subject line of the message.
- *Mail/Hand Delivery/Courier:* Comment Intake — Relationship Banking, Consumer Financial Protection Bureau, 1700 G Street, NW, Washington, DC 20552. Please note that due to circumstances associated with the COVID-19 pandemic, the CFPB discourages the submission of comments by hand delivery, mail, or courier.

*Instructions:* The CFPB encourages the early submission of comments. All submissions should include document title and docket number. Because paper mail in the Washington, DC, area and at the CFPB is subject to delay, commenters are encouraged to submit comments electronically. In general, all comments received will be posted without change to

<https://www.regulations.gov>. In addition, once the CFPB's headquarters reopens, comments will be available for public inspection and copying at 1700 G Street, NW, Washington, DC 20552, on official business days between the hours of 10 a.m. and 5 p.m. Eastern Time. At that time, you can make an appointment to inspect the documents by telephoning 202-435-7275.

All comments, including attachments and other supporting materials, will become part of the public record and subject to public disclosure. Proprietary information or sensitive personal information, such as account numbers or Social Security numbers, or names of other individuals, should not be included. Comments will not be edited to remove any identifying or contact information.

**FOR FURTHER INFORMATION CONTACT:** Leslie Parrish, Deputy Assistant Director, Consumer Credit, Payments, and Deposits Markets, or Ted Wegner, Policy Analyst, Office of Consumer Education, at 202-435-7700. If you require this document in an alternative electronic format, please contact [CFPB\\_Accessibility@cfpb.gov](mailto:CFPB_Accessibility@cfpb.gov).

## **SUPPLEMENTARY INFORMATION:**

### **I. Background**

Under section 1034(c) of the Consumer Financial Protection Act (CFPA), consumers have a legal right to obtain information from the approximately 175 largest banks and credit unions in the country with more than \$10 billion in assets, as well as from their affiliates.<sup>1</sup> Through this statutory authority, consumers are able to gain valuable insight into their accounts by requesting certain account information from their depository institution.

In the modern banking environment, consumers reasonably expect financial institutions to provide responses to their requests for information and high levels of customer service. Some banks may not be offering the baseline level of customer service that consumers reasonably

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<sup>1</sup> "A covered person subject to supervision and primary enforcement by the Bureau pursuant to section 1025 shall, in a timely manner, comply with a consumer request for information in the control or possession of such covered person concerning the consumer financial product or service that the consumer obtained from such covered person, including supporting written documentation, concerning the account of the consumer." 12 U.S.C. 5534(c)(1). There are certain exceptions. See 12 U.S.C. 5534(c)(2); CFPB Depository Institutions (Dec. 2021), [https://files.consumerfinance.gov/f/documents/cfpb\\_depository-institutions-list\\_2021-12.pdf](https://files.consumerfinance.gov/f/documents/cfpb_depository-institutions-list_2021-12.pdf).

expect to receive from companies that have control over their money.

Relationship banking is an aspirational model of banking that meets its customers' needs through strong customer service, responsiveness, and care. Relationship banking can play a critical role in helping to foster fair, transparent, and competitive marketplaces.

The CFPB endeavors to help institutions of all sizes foster an inclusive relationship banking model that meets consumers' reasonable expectations of high levels of customer service and enables consumers to hold financial institutions accountable when they encounter problems. This model is especially critical during a time when consumers report wanting and valuing high-quality human interactions in their financial lives, as well as more helpful digital channels to better facilitate self-help.<sup>2</sup>

Increasing market concentration in the financial services industry may present challenges in implementing an inclusive relationship banking model.<sup>3</sup> The number of banking institutions has decreased “from nearly 18,000 in 1984 to fewer than 5,000 in 2021.”<sup>4</sup> Bank consolidation has had mixed results for consumers and customer service experiences.<sup>5</sup>

Of particular note is the loss of local banks in rural communities. Rural customers are more likely to visit smaller banks or credit unions, but face decreased banking access due to

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<sup>2</sup> *The Human + Digital Challenge in Banking: Consumers Want Both*, Cornerstone Advisors (2021), [https://go.backbase.com/rs/987-MGR-655/images/Backbase\\_Cornerstone\\_Human\\_Digital.pdf](https://go.backbase.com/rs/987-MGR-655/images/Backbase_Cornerstone_Human_Digital.pdf).

<sup>3</sup> *Best & Worst Banks According to Consumer Reports Members: Smaller institutions get higher ratings in our latest survey of more than 72,000 members*, Consumer Reports (Mar. 23, 2018), <https://www.consumerreports.org/banks/best-and-worst-banks-and-credit-unions-a5170659592/>.

<sup>4</sup> *The Great Consolidation of Banks and Acceleration of Branch Closures Across America*, National Community Reinvestment Coalition (Feb. 16, 2022), <https://ncrc.org/the-great-consolidation-of-banks-and-acceleration-of-branch-closures-across-america/>.

<sup>5</sup> *U.S. Retail Banks Struggle to Differentiate, Deliver Meaningful Customer Experience as Economy Sours*, J.D. Power Finds, J.D. Power (Apr. 7, 2022), <https://www.jdpower.com/business/press-releases/2022-us-retail-banking-satisfaction-study>; *The Human + Digital Challenge in Banking: Consumers Want Both* at 12, 30, Cornerstone Advisors (2021), [https://go.backbase.com/rs/987-MGR-655/images/Backbase\\_Cornerstone\\_Human\\_Digital.pdf](https://go.backbase.com/rs/987-MGR-655/images/Backbase_Cornerstone_Human_Digital.pdf) (Consumers report that it takes too long to get what they need done, that they have to repeat information to multiple sources, that employees aren't knowledgeable about their situation, and that it's difficult to find the information they need online.); *Consumer Response Annual Report* at 30-31, Consumer Financial Protection Bureau (Mar. 2022), [https://files.consumerfinance.gov/f/documents/cfpb\\_2021-consumer-response-annual-report\\_2022-03.pdf](https://files.consumerfinance.gov/f/documents/cfpb_2021-consumer-response-annual-report_2022-03.pdf) (The CFPB received approximately 37,400 checking or savings account complaints in 2021. Of the complaints where the company confirmed a commercial relationship with the consumer and responded with an explanation or relief, in 94% of those complaints, consumers reported that they attempted to resolve their issue with the company before submitting a complaint to the CFPB, indicating that many consumers are unable to resolve their issues through direct contact with their bank.).

“[t]rends in banking consolidation[, which] may be a contributing factor to the prevalence of rural banking deserts.”<sup>6</sup> Rural customers rely on smaller banks and the relationship banking they offer, with local knowledge and long-standing relationships, to help maintain the “civic fabric of rural communities.”<sup>7</sup>

Federal consumer financial law has long been concerned with consumers’ ability to access information. For example, consumers have the right to send a request for information to their mortgage servicer in order to obtain information with respect to their mortgage loan.<sup>8</sup> In addition, the Fair Credit Reporting Act gives consumers the right to annually request a free copy of their consumer report from each of the nationwide consumer reporting agencies and mandates that consumers receive notice when a user of a consumer report takes any adverse actions on a consumer on the basis, in whole or in part, of information contained in a consumer report.<sup>9</sup>

The CFPA’s section 1034(c) right also provides an ability for consumers to access information, as Congress made a determination that consumers need additional rights to demand information from large depository institutions.

## **II. Request for Comment**

This request for information seeks information from the public on what customer service obstacles consumers face in the banking market, and specifically, what information would be helpful for consumers to obtain from depository institutions pursuant to section 1034(c) of the CFPA.

The CFPB welcomes the public to submit stories, data, and information related to this request. To assist commenters in developing responses, the CFPB has crafted the below questions that commenters may answer.

1. What types of information do consumers request from their depository institution? How are

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<sup>6</sup> *Data Spotlight: Challenges in Rural Banking Access* at 9, Consumer Financial Protection Bureau (Apr. 2022), [https://files.consumerfinance.gov/f/documents/cfpb\\_data-spotlight\\_challenges-in-rural-banking\\_2022-04.pdf](https://files.consumerfinance.gov/f/documents/cfpb_data-spotlight_challenges-in-rural-banking_2022-04.pdf).

<sup>7</sup> *Id.* at 10.

<sup>8</sup> 12 CFR 1024.36.

<sup>9</sup> 15 U.S.C. 1681j(a); 15 U.S.C. 1681m(a).

consumers using the information?

2. What types of information do consumers request from their depository institution, but are often unable to obtain?
3. How does the channel (phone, in-writing, online, in-person) through which consumers request information impact their ability to obtain information?
4. How do consumers' customer service experiences differ depending on the channel through which they interact with their depository institution (phone, in-writing, online, in-person)?
5. How are customer service representatives evaluated and compensated, and how might compensation structure and incentives impact the service provided?
6. What customer service obstacles have consumers experienced that have adversely affected their ability to bank?
7. What unique customer service obstacles do immigrants, rural communities, or older consumers experience?
8. What are typical call wait times?
9. How often are calls dropped or disconnected? How often do companies use automated and digital communication channels such as interactive voice response (IVR) systems and online chat functions?
10. Are there any fees associated with customer service or requests for information?
11. What are the most important customer service features or experiences that help produce satisfactory banking relationships between financial institutions and consumers?
12. Please explain the value of consumers having access to the following information pertaining to their accounts:
  - a. Internal or external communications about an account.
  - b. A listing of all companies that are provided with information about an account.
  - c. The purposes for which information about a consumer's account are shared.
  - d. Any compensation that a depository institution receives for sharing information

about an account.

- e. Any conditions placed on the use of information about an account.
  - f. A listing of all companies with authorization to receive automatic or reoccurring payments from an account.
  - g. Information reviewed or used in investigating a consumer's dispute about an account.
  - h. Any third-party information used to make account decisions about consumers, including but not limited to consumer reports and credit or other risk scores.
13. What information would be helpful for consumers to obtain from depository institutions in order to improve their banking experience?
14. How have methods of customer engagement changed as a result of the COVID-19 pandemic?

**Rohit Chopra,**

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